



[4830-01-P]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 301

[TD 9554]

RIN 1545-BJ07

Extending Religious and Family Member FICA and FUTA Exceptions to Disregarded Entities; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final and temporary regulations.

SUMMARY: This document describes a correction to final and temporary regulations (TD 9554) extending the exceptions from taxes under the Federal Insurance Contributions Act (“FICA”) and the Federal Unemployment Tax Act (“FUTA”) under sections 3121(b)(3) (concerning individuals who work for certain family members), 3127 (concerning members of religious faiths), and 3306(c)(5) (concerning persons employed by children and spouses and children under 21 employed by their parents) of the Internal Revenue Code (“Code”) to entities that are disregarded as separate from their owners for Federal tax purposes. The temporary regulations also clarify the existing rule that the owners of disregarded entities, except for qualified subchapter S subsidiaries, are responsible for backup withholding and related information reporting requirements under section 3406. These regulations were published in the **Federal Register** on Tuesday, November 1, 2011 (76 FR 67363).

DATES: This correction is effective on **[INSERT DATE OF PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER]**, and is applicable on November 1, 2011.

FOR FURTHER INFORMATION CONTACT: Joseph Perera, (202) 622-6040 (not a toll-free number).

SUPPLEMENTARY INFORMATION:**Background**

The correction notice that is the subject of this document is under section 7701 of the Internal Revenue Code.

Need for Correction

As published, final and temporary regulations (TD 9554) contain an error that may prove to be misleading and is in need of clarification.

Correction of Publication

Accordingly, the publication of final and temporary regulations (TD 9554), which was the subject of FR Doc. 2011-28176, is corrected as follows:

On page 67366, column 1, under an amendatory instruction, the language “Par. 9. Section 301.7701-2T is revised to read as follows:” is removed and is replaced with the new language “Par. 9. Section 301.7701-2T is added to read as follows:” in its place.

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